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FOR THE YEAR ENDED DECEMBER 31

ANNUAL REPORT **12** 1957

MAY 26 1958

HOYLE

*Mining
Company
Limited*

Hoyle Mining Company Limited

Incorporated under The Ontario Companies Act

HEAD OFFICE
360 Bay Street
TORONTO, ONTARIO

Officers

J. M. CUNNINGHAM-DUNLOP	-	-	-	-	-	-	-	-	-	-	-	<i>President and General Manager</i>
FRANK C. SULLIVAN	-	-	-	-	-	-	-	-	-	-	-	<i>Secretary</i>
H. E. NAUSS	-	-	-	-	-	-	-	-	-	-	-	<i>Treasurer</i>
A. G. FULTON	-	-	-	-	-	-	-	-	-	-	-	<i>Assistant Secretary</i>
M. T. MEILLEUR	-	-	-	-	-	-	-	-	-	-	-	<i>Assistant Treasurer</i>

Directors

J. S. D. TORY	W. B. DIX
J. M. CUNNINGHAM-DUNLOP	G. T. N. WOODROOFFE
*F. V. C. HEWETT	HENRY R. JACKMAN
*Deceased December 27, 1957	J. D. BARRINGTON

Consultants

W. C. MARTIN	-	-	-	-	-	-	-	-	-	-	<i>Mining Geologist</i>
W. H. WOODS	-	-	-	-	-	-	-	-	-	-	<i>Mining Engineer</i>
M. J. TAMPLIN	-	-	-	-	-	-	-	-	-	-	<i>Metallurgist</i>

Transfer Agent and Registrar

CROWN TRUST COMPANY
Toronto

Bankers

IMPERIAL BANK OF CANADA
Toronto

Auditors

CLARKSON, GORDON & Co.
Toronto

Hoyle Mining Company Limited

Report of the Directors

To the Shareholders,
HOYLE MINING COMPANY LIMITED.

Your Directors submit herewith the Twelfth Annual Report of your Company for the year ending December 31st, 1957, together with the Financial Statements and the Auditors' Report.

The activities of your Company during the year included directing the development of Consolidated Sudbury Basin Mines and Consolidated Mosher Mines Limited until suspension of operations at these properties in mid-1957.

An option was taken on a group of claims at Panache Lake in the Sudbury Area, but was dropped after inconclusive results were secured from geophysical surveys and diamond drilling.

Further investigations were made into the feasibility of producing Kyanite at the property of Northern Kyanite Mines in the Sudbury Area. This work is continuing on a limited scale.

All of your Company's interest in Temiskaming Construction Limited was disposed of during the past year.

CONSOLIDATED SUDBURY BASIN MINES LIMITED

Mill construction and underground work preparing this property for production proceeded until August, 1957, at which time a decision was made to suspend all operations due to the price levels metals had dropped to at that time. At the time of suspension of operations, production was a matter of two months away. The plant was completely closed in, all equipment removed from underground and the property placed on a caretaking basis.

Your Company's interest in Consolidated Sudbury Basin Mines was increased by 150,000 shares to a total of 1,982,829 shares or approximately 26.17% of the issued capital.

OPEMISKA COPPER (QUEBEC) MINES LIMITED

Production was resumed on March 1st, 1957 after a four-month interruption caused by the fire that occurred in the previous year. During the remainder of the year the mill treated an average of 786 tons per day.

Preparations for the expansion of production continued and it is expected that the initial 1,600 tons per day rate will be attained late this year. A further increase to the ultimate capacity of 2,400 tons per day will be possible when the new production shaft, the Springer No. 2, together with the crushing plant is completed late in 1959.

At the Perry Mine the shaft was sunk to the 1900 foot horizon and will be completed early in 1958 at which time lateral work will be undertaken.

Exploration was restricted owing to the extensive programme for increased production. However, ore reserves were maintained at 4,743,000 tons averaging 3.21% copper.

After provision for depreciation and amortization of deferred development, and including insurance payments in excess of expenses incurred during the shutdown, a net loss of \$132,000 was sustained. At the year end the excess of current liabilities over current assets amounted to \$703,026.

CONSOLIDATED MOSHER MINES LIMITED

Development work at this property continued until June, 1957, when preparations were made to suspend all underground work until such time as conditions for gold mining improve.

Prior to the cessation of operations the No. 1 Shaft was deepened 130 feet and a new production shaft was collared 3,000 feet west of No. 1 Shaft. Underground diamond drilling disclosed some good intersections, tending to verify the westward continuation of the ore.

Ore reserves are unchanged from last year at 4,008,000 tons having an average grade of .155 oz. gold per ton.

Your Company's holdings of Consolidated Mosher at 812,950 shares or 25.2% remain substantially the same as last year.

THOMPSON-LUNDMARK GOLD MINES LIMITED

Your Company holds 627,349 shares or 12.6% of the issued capital of Thompson-Lundmark. This Company's chief interest is its holdings of 40% Quebec Cobalt and Exploration Limited which Company in turn owns a large iron ore deposit in the Mt. Wright area of Quebec on which Jones and Laughlin Steel Corporation have expended considerable money and have just announced that they have exercised their option on the property.

* * * * *

It is with deep regret that we report the death on December 27, 1957 of one of your directors, Mr. Frank V. C. Hewett. Mr. Hewett was a leading mining executive and engineer and his advice and counsel in the conduct of the affairs of your Company will be greatly missed.

Mr. J. D. Barrington was elected to the Board to fill the vacancy created by the death of Mr. Hewett.

On behalf of the Board,

J. M. CUNNINGHAM-DUNLOP,

President.

Toronto, Ontario,
May 13, 1958.

HOYLE MINING C

(Incorporated under the laws of the Province of Ontario)

Balance Sheet—

ASSETS

CURRENT:

Cash		\$ 229,319.73
Accounts receivable		93,214.34
Total current assets		<u>\$ 322,534.07</u>

INVESTMENT IN SUBSIDIARY, AFFILIATED, ASSOCIATED AND OTHER COMPANIES AT COST LESS AMOUNTS WRITTEN OFF (indicated market value as detailed on statement 3 — \$15,565,938):

Subsidiary companies—

Shareholdings	\$ 121,381.39	
Advances	57,484.25	\$ 178,865.64

Affiliated and associated companies—

Shareholdings	\$ 7,105,278.05	
Advances	17,358.05	7,122,636.10

Other companies—

Shareholdings	752,638.04	8,054,139.78
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FIXED (note 2):

Porcupine mining property at cost	\$ 399,256.02	
Haileybury land at cost	1,051.77	
Buildings, machinery and equipment at cost	\$ 190,698.79	
Less accumulated allowance for depreciation	105,219.59	85,479.20
Deferred development less amounts written off	204,212.06	689,999.05

OTHER:

Expenditures on outside properties	\$ 99,640.60	
Supplies	1.00	99,641.60
		<u>\$ 9,166,314.50</u>

The notes to financial statements are an integral part of the

AUDITOR'S

To the Shareholders of
HOYLE MINING COMPANY LIMITED:

We have examined the balance sheet of Hoyle Mining Company Limited as at December 31, 1957 and the results of its operations for the year ended on that date. Our examination included a general review of the accounting procedures necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss for the year ended on that date.

Toronto, Canada,
February 5, 1958.

COMPANY LIMITED

STATEMENT 1

(laws of Ontario)

December 31, 1957

LIABILITIES

CURRENT:

Accounts payable	\$ 14,833.51
Convertible notes payable — convertible into common shares at the rate of \$2.00 per share	1,125.00
Total current liabilities	\$ 15,958.51

SHAREHOLDERS' EQUITY:

Capital (notes 3, 4 and 5) —	
5¾% cumulative convertible redeemable preference shares of \$100.00 par value:	
Authorized and issued less purchased for cancellation	21,333 shares \$ 2,133,300.00
Common shares of no par value:	
Authorized — 3,500,000 shares	
Issued — 3,001,990 shares	7,527,399.00
	\$ 9,660,699.00
Contributed surplus (note 3)	25,000.00
	\$ 9,685,699.00
Deduct—	
Deficit (statement 2)	\$ 1,048,135.50
Less special surplus (statement 2)	512,792.49
	535,343.01
	9,150,355.99

Approved on behalf of the Board:

J. M. CUNNINGHAM-DUNLOP, Director.

G. T. N. WOODROOFFE, Director.

\$ 9,166,314.50

balance sheet and should be read in conjunction therewith.

REPORT

For 31, 1957 and the statements of profit and loss, deficit and special surplus for the year
and such tests of accounting records and other supporting evidence as we considered

deficit and special surplus present fairly the financial position of the company as at Decem-

CLARKSON, GORDON & CO.,
Chartered Accountants.

Hoyle Mining Company Limited

Notes to Financial Statements

AS AT DECEMBER 31, 1957

1. The accounts of the subsidiary companies have not been consolidated with those of the parent company as these subsidiaries are not wholly-owned and their assets and liabilities are not material in comparison with those of the parent company. These subsidiaries, which are inactive mining companies, have incurred no profits or losses since their incorporation.
2. A fire destroyed the mill on the company's Porcupine property in 1943 and the company discontinued mining operations at this property in 1948. Since that time the major portion of the company's saleable fixed assets has been sold, no depreciation has been written on the remaining assets and no amount has been written off deferred development expenditures.
3. There were the following changes in share capital during the year:
 - (a) 5,000 preference shares were purchased for cancellation at 95% of their par value. The difference between par value and the purchase price, \$25,000, has been credited to contributed surplus.
 - (b) 29,250 common shares were issued for \$87,750 cash.
 - (c) 30 common shares were issued on the conversion of \$60 convertible notes.
4. After September 7, 1957, on 90 days' notice, preference shares may be redeemed in whole or in part by the company at a premium of \$5.00 per share if redeemed before September 8, 1958 with reduction of \$1.00 in the premium for each year thereafter.

The preference shareholders have the option of converting their preference shares into common shares at any time prior to September 8, 1965 on the basis of thirteen and one-third common shares for each preference share.

No dividends were declared on the cumulative preference shares during the year. The arrears of dividends amount to \$122,664.75.

5. The company has granted options on 10,000 of its common shares at \$5.27 per share and on 2,000 at \$5.00 per share; both of these options are exercisable on or before November 8, 1958. In addition 30,750 of the company's authorized common shares have been reserved so that they may be optioned to officers and directors as follows:

750 shares at \$3.00 a share;

30,000 shares to officers at \$5.00 a share and to directors at market less 15%.

Hoyle Mining Company Limited

STATEMENTS OF PROFIT AND LOSS, DEFICIT AND SPECIAL SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1957

PROFIT AND LOSS

DIVIDENDS RECEIVED FROM:

Affiliated company	\$ 6,468.00	
Other companies	34,987.56	\$ 41,455.56
		<hr/>
Interest received		5,139.89
		<hr/>
		\$ 46,595.45

DEDUCT:

Administrative and general expenses (including directors' fees of \$7,300)	\$59,364.81	
Income taxes deducted at source from dividends received	2,888.84	
Interest expense	404.21	
Mine expense	1,703.93	64,361.79
		<hr/>
Net loss for the year (excluding items in special surplus)		\$ 17,766.34

DEFICIT

Balance December 31, 1956	\$ 1,030,369.16
Add net loss for the year	17,766.34
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Balance December 31, 1957	\$ 1,048,135.50

SPECIAL SURPLUS

(Consisting of the profit (net) on sales of securities less the loss (net) on sales of fixed assets, amounts written off exploration expenditures, mining claims, mining supplies, incorporation expenses and interest in and advances to other companies, and commission and other expenses relating to issue of preferred shares)

Balance December 31, 1956	\$ 108,815.33
Net gain on sales of securities during the year	834,801.52
	<hr/>
	\$ 943,616.85
DEDUCT:	
Securities written off	\$374,480.46
Net loss on sale of fixed assets	4,317.57
Outside exploration written off	52,026.33
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Balance December 31, 1957	\$ 512,792.49

The notes to financial statements are an integral part of the above statements of profit and loss, deficit and special surplus and should be read in conjunction therewith.

Hoyle Mining Company Limited

Statement of Investment in Subsidiary, Affiliated, Associated and Other Companies

AS AT DECEMBER 31, 1957

SHAREHOLDINGS

	Number of shares	Indicated market value (note)	Cost less amounts written off	Advances
SUBSIDIARY COMPANIES:				
Beaver River Silver-Lead Mines Limited	1,050,000	-----	-----	\$19,207.79
Larchwood Mines Limited	324,351	-----	\$ 65,077.82	13,182.38
Northern Kyanite Mines Limited	765,000	-----	56,303.57	20,232.18
South Porcupine Mines Limited	1,273,753	-----	-----	4,861.90
			<u>\$ 121,381.39</u>	<u>\$57,484.25</u>
AFFILIATED AND ASSOCIATED COMPANIES:				
AFFILIATED—				
Avenue Realty Company Limited	500	-----	\$ 450.00	\$ 5,253.83
Falconbridge Nickel Mines Limited	5,390	\$ 117,232.50	34,981.14	-----
		<u>\$ 117,232.50</u>	<u>\$ 35,431.14</u>	<u>\$ 5,253.83</u>
ASSOCIATED—				
Big Agaunico Mines Limited	555,440	-----	47,298.00	-----
Consolidated Mosher Mines Limited	812,950½	455,252.00	887,866.49	-----
Consolidated Sudbury Basin Mines Limited	1,982,829	1,050,899.37	5,071,857.86	-----
Davidson Tisdale Mines Limited	133,333	-----	20,000.00	3,230.77
Garrison Creek Consolidated Mines Limited	782,010	-----	45,179.73	-----
Geoil Limited	7,093	-----	10,000.00	-----
Giant Yellowknife Gold Mines Limited	12,500	53,125.00	100,000.00	-----
International Ranwick Limited	12,112	2,180.16	10,946.22	-----
Kalbrook Mining Company Limited	339,861	-----	28,939.50	-----
Keithgold Mines Limited	850,000	-----	30,000.00	-----
Kiena Gold Mines Limited	100,000	-----	20,000.00	-----
Metal Hydrides Incorporated	27,554	399,533.00	283,587.40	-----
Northfield Canada Limited	10,000	-----	45,000.00	-----
Opemiska Copper Mines (Quebec) Limited ..	1,966,913	12,588,243.20	343,116.64	-----
Quebec Metallurgical Industries Ltd.	33,333	22,666.44	100,000.00	-----
Miscellaneous participations of less than \$10,000 each	-----	9,517.32	26,055.07	8,873.45
		<u>\$ 14,698,648.99</u>	<u>\$ 7,105,278.05</u>	<u>\$17,358.05</u>
OTHER COMPANIES:				
Explorers Alliance Limited	10,522-3/5	\$ 1,210.03	\$ 26,205.00	-----
R. J. Jowsey Mining Company Limited	55,229-2/3	19,330.15	41,187.95	-----
New Kelore Mines Limited	14,470	940.55	26,032.64	-----
New Potterdoal Mines Limited	325,517	-----	26,998.05	-----
New Broken Hill Consolidated Limited	6,262	28,930.44	25,434.00	-----
Pine Point Mines Limited	42,705	234,877.50	16,492.27	-----
Quebec Gold Belt Mines Limited	23,750	1,900.00	19,419.15	-----
Richglen Mines Limited	225,000	-----	10,000.00	-----
Sheldon Larder Mines Limited	245,899	19,671.92	90,305.18	-----
Sil-Van Mines Limited	42,117	-----	14,213.00	-----
Silver Standard Mines Limited	134,944	15,518.56	20,389.85	-----
South Giroux Mines Limited	265,000	-----	19,750.00	-----
Thompson-Lundmark Gold Mines Limited ..	627,349	495,605.71	340,393.26	-----
Miscellaneous participation of less than \$10,000 each	-----	49,305.01	75,817.69	-----
		<u>\$ 867,289.87</u>	<u>\$ 752,638.04</u>	-----
		<u>\$ 15,565,938.86</u>	<u>\$ 7,979,297.48</u>	<u>\$74,842.30</u>

NOTE: The market values shown above are based on closing market prices at December 31, 1957. Because of the number of shares involved the indicated market value of certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.

